

GLOBAL TRENDS

SPOTLIGHT

Consumer Sentiment &
Why Broader Societal Trends Matter



Consumer sentiment indicators measure what consumers think about factors that impact their lives – from world economies to personal and financial wellbeing. These factors drive decisions about where people live, what work they do, whether they pursue education or employment, how they plan their family and leisure time and what they spend their money on.

When we think about these indicators, we usually focus on short-term reactions, driven by current events. The Confidence Board's monthly Global Consumer Confidence Index, for example, reports changes of confidence levels each month. Less attention is paid to broader, slower-moving consumer sentiment trends which inform how people plan and live their lives. An understanding of these can show us the future.

There are two iconic photos both taken in the 1950s. The first shows a hula hoop contest; the second, young people on a beach listening to a new invention: the transistor radio. The first documents a fad; the second a social revolution which met basic human desires for autonomy, choice and immediacy via the ability to consume content they want, when they want it.

Dynata's 2019 Global Trends Report ("the Report") examined attitudes on some of these broad societal issues. This Spotlight Report looks at how these underlying megatrends help connect and give meaning to data reported throughout the Global Trends Report. The Report surveyed people in the US, Canada, UK, France, Germany, the Netherlands and Australia in November 2018, and China and Japan in February 2019.





Levels of Optimism Drive Major Decisions

Levels of optimism drive major decisions people make about their lives.

35% of people interviewed for the Report said their personal life would be better in five years, 48% expected no change and just 17% thought their personal life would be worse. Results were similar when people were asked about their personal financial prospects (37% expected things to be better, 42% the same and 21% worse) while 78% reported that they were fairly, very or extremely happy.

However, people's expectations for the wider world were in marked contrast: only 17% of people said the world would be a better place in five years, 41% expected no change and 43% thought things would be worse. These findings support a theory posited by Tali Sharot, Professor of Cognitive Neuroscience at University College London, which says that an inbuilt personal optimism in the human brain causes people to be more optimistic about their own prospects than they are about those of the wider world. This was found to be particularly true amongst Millennials with only 33% thinking the world would be in worse shape in five years, compared to 47% of their older peers who thought so.

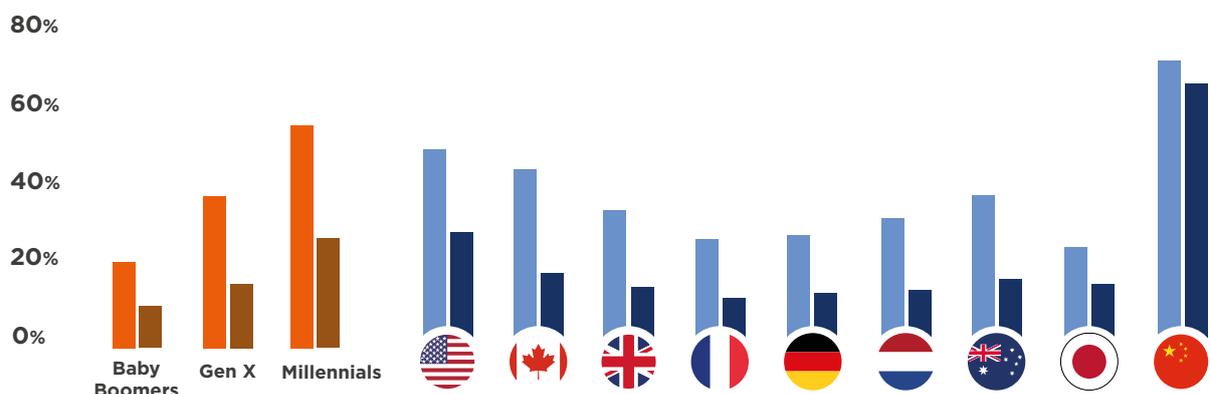
By country, the US is considerably more optimistic than Europe, reflecting perhaps both economic conditions and cultural factors in North America. In China, attitudes are drastically different with 65% of Chinese surveyed stating that they expect the world to be a better place in five years – more than five times the combined level of optimism among the other countries. In Q4 2018 when the data was collected, [Reuters reported](#) that China's growth had slowed to a 28-year low. But that followed three decades of explosive growth. Our findings suggest the importance of considering the long view.



The Report's findings on optimism show us that:

- 1) Human physiology, as well as external realities, could be driving our levels of optimism;
- 2) Short term setbacks, such as those seen in China, don't impact optimism built over many years of dramatic growth, therefore it's important to consider the long-term when interpreting results;
- 3) Trends must be viewed in the context of an individual culture.

Personal life vs the World - Better in 5 years



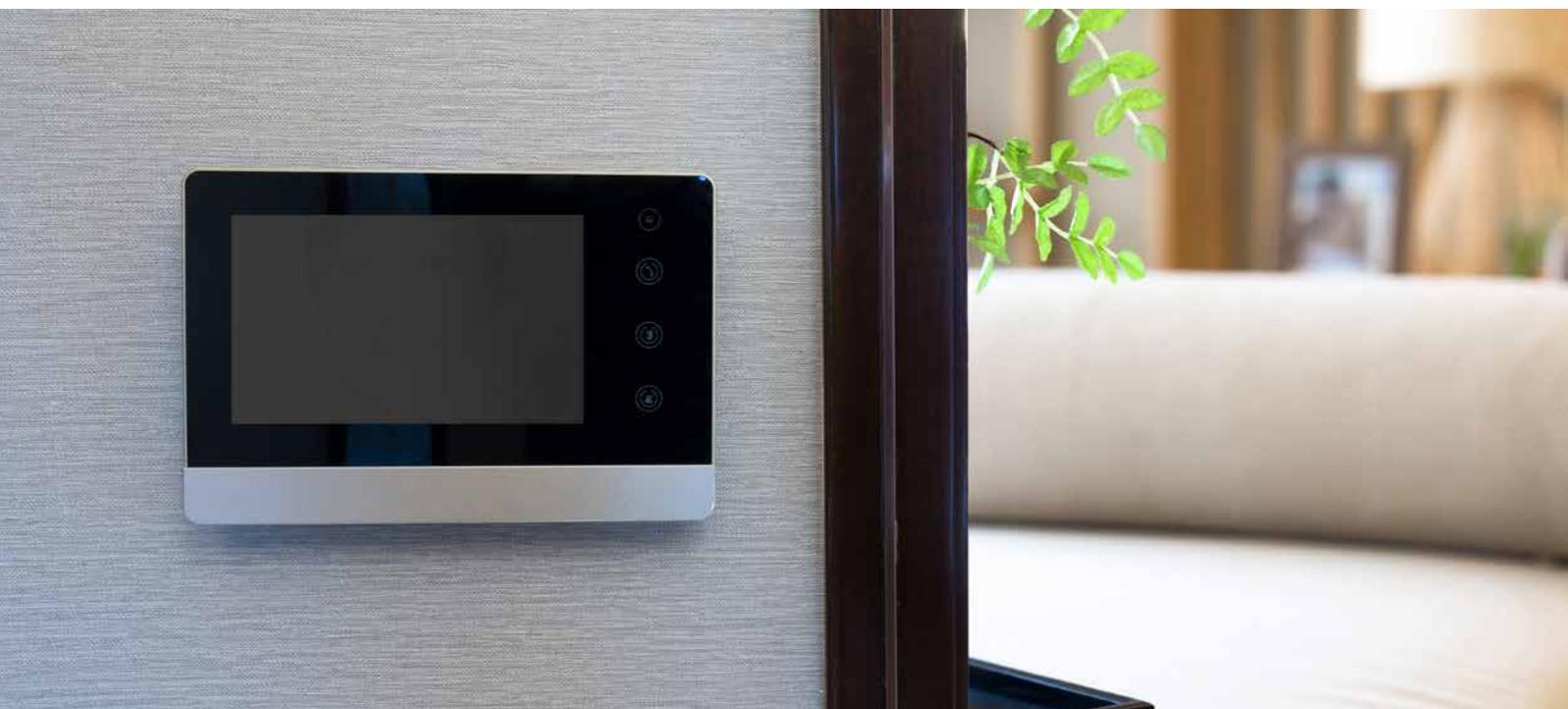
Safety & the Security Perimeter

What is the underlying consumer need that drives the ownership levels of connected devices for the home which Dynata found in the Report? Is it merely convenience, or are people looking for more control and safety in what they perceive to be an uncertain world?

Ring, owned by Amazon, sells smart doorbells which monitor front door areas with the Ring app allowing people to share videos. Even in an era of generally [falling crime rates](#) across the majority of the world, only 9% of people in our survey thought crime rates were reducing. Additionally, while most believed their neighbourhood to be safe, as the perimeter we asked about grew, people expressed more concern for their safety:

									
Neighborhood	62%	63%	59%	39%	50%	41%	54%	44%	50%
Town/City	52%	52%	42%	32%	39%	31%	44%	44%	50%
Your country	30%	53%	28%	17%	30%	19%	42%	37%	58%
Other countries	17%	13%	15%	12%	14%	8%	13%	5%	21%

These findings echo the pattern seen for optimism; as people move further away from their own home and personal experience, they express more concern. It's important to consider that these trends could also be driven by other factors such as a growing perception that the world is a dangerous place and the human need to control our immediate environment.



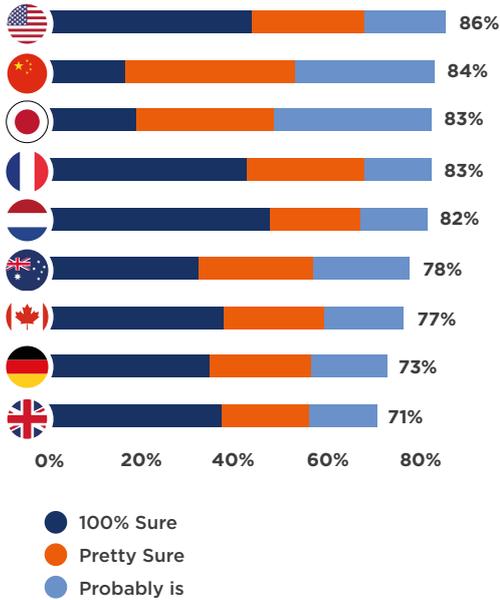


Is Climate Change Real & Can We Fix It?

A surprisingly large minority of people in the Report **(ranging from 29% in the UK to 14% in the US)** don't think climate change is a reality. Echoing this, [The New York Times](#) recently reported that demand for coastal property remains high even though scientists believe in just a few decades many shoreline areas could be frequently underwater.

Yet two-thirds of those who accept climate change as a reality think it's fixable, this is particularly true in China and France Today, brands appear to be tapping into this growing desire to "do something" about saving the earth - from Ikea providing opportunities to rent items instead of own them, to the introduction of "impossible foods" like Burger King's burger. In contrast, [some note](#) a gap between rhetoric and reality from brands on this issue.

Our survey found Millennials are most likely to believe in climate change which is no surprise as it will impact their lives most. The [New York Times](#) reports a trend for some Millennials to buy land away from coastal areas, believing it will increase in value during their lifetimes as coastal residents are forced to evacuate.

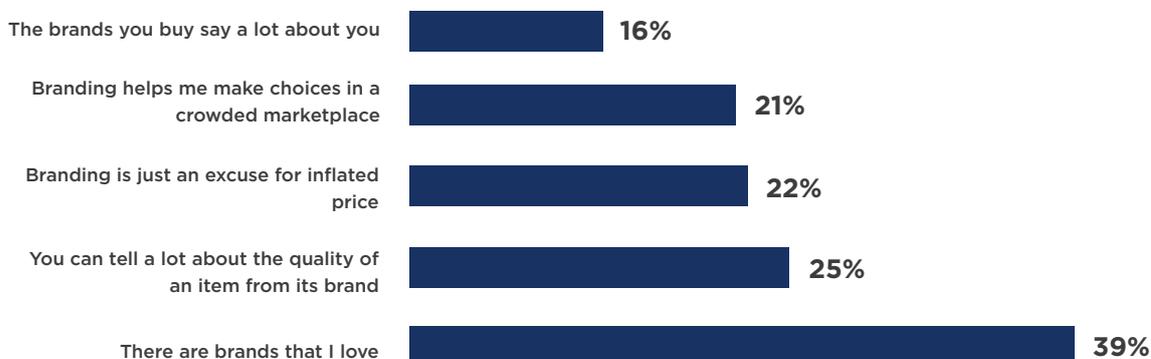


Brand Attitudes & Basic Human Needs

Our survey found that consumers may not identify as closely with brands as we might think. Only 16% agreed that “the brands you buy say a lot about you” and 16% didn’t think brands were important in any of the varied categories we asked about -- from electronics to cars to food and drink. 22% of people we interviewed across all generations think brands are just an excuse for inflated prices.

Skepticism about brands has been seen recently in responses to brand efforts to demonstrate diversity. Dior pulled its campaign for Sauvage fragrance featuring Native Americans following social media criticism, and Cadbury was mocked on social media for launching a multicolored chocolate bar in India to mark Independence Day. These responses demonstrate how brands must tread carefully if they are to be viewed as trusted, genuine sources of information.

As e-commerce leads to greater commoditisation, some consumers seek a greater connection to their brands, and a more curated shopping experience that feels genuine and unique to them. This type of personalisation requires capitalising on available technology to understand customers’ preferences, providing them with exactly what they want, when they want it, in the way they want to receive it, resulting in products like personalised clothing or shoes ready in as little as 45 minutes. 3D printers are a great example of this as they meet the underlying human desire to create something that’s personalised and immediate. 3D printers can now “print” not only household items like bottle openers, but also [prescription drugs](#) and beauty products.



Connecting Broader Consumer Trends to Your Business



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What does focusing on larger, longer-term trends mean for your business? While it's important to stay ahead of current trends, broader societal trends help us understand which of these current trends are most likely to have major, long-term impacts, often because they fulfill a basic human need.

An understanding of broad, societal trends can help identify which is the "transistor radio" of your businesses -- the innovation that will change everything -- and which is just a hula hoop.

About Dynata

Dynata is one of the world's leading providers of first-party data contributed by consumers and business professionals. With a reach that encompasses 60+ million people globally and an extensive library of individual profile attributes collected through surveys, Dynata is the cornerstone for precise, trustworthy quality data. The company has built innovative data services and solutions around its core first-party data offering to bring the voice of the customer to the entire marketing spectrum, from market research to marketing and advertising. Dynata serves nearly 6,000 market research agencies, media and advertising agencies, consulting and investment firms, and healthcare and corporate customers in North America, South America, Europe, and Asia-Pacific. For more information, go to www.dynata.com



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